

Staff Summary Report



Council Meeting Date: 10/02/08

Agenda Item Number: _____

SUBJECT: This is the public hearing to amend Appendix A of the Tempe City Code relating to sewer and water development fees. Final resolution adoption is scheduled for November 6, 2008.

DOCUMENT NAME: 20081002mkwud01 **MISCELLANEOUS FEES (0210-05)** Resolution No. 2008.87

SUPPORTING DOCS: Yes

COMMENTS: These proposed changes establish the sewer and water development fee rate structure with the effective date of the increases occurring February 1, 2009.

PREPARED BY: Steve Dalton, SROG Program Administrator (350-2671)
Miyong Kim, Planning & Research Analyst (350-8358)

REVIEWED BY: Don Hawkes, Water Utilities Manager (350-2660)
Jerry Hart, Financial Services Manager (350-8505)

LEGAL REVIEW BY: Charlotte Benson, Senior Assistant City Attorney (350-2813)

FISCAL NOTE: None

RECOMMENDATION: After the public hearing on October 2, 2008, adopt Resolution No. 2008.87 at the November 6, 2008 Council meeting.

ADDITIONAL INFO: Pursuant to Council direction at the July 22, 2008 Issue Review Session, the following resolution will increase sewer and water development fees. The recommended sewer and water development fee adjustments are necessary to finance expansion of the City's water and sewer systems to serve new development. Implementation of the modified fees ensures that new connections fund the growth related portion of the sewer and water Capital Improvement Program (CIP).

Sewer and water development fees were last adjusted effective September 1, 2007. On the rate schedule the sewer and water development fees increase by approximately 22%. The development fees assume new users to the system pay for their proportionate share of the growth related capital improvement program. In addition, to assure that "growth pays for growth", it is also recommended that fees be adjusted annually based on Engineering News-Record's (ENR) Construction Index.

Consistent with A.R.S. 9-463.05, a public hearing shall be held sixty days after a notice of intention is adopted and thirty days prior to resolution adoption of the new or increased development fees. The notice of intention was adopted on July 22, 2008 and the resolution adoption is scheduled for November 6, 2008. The effective date of the increase would be February 1, 2009, which is at least seventy-five days after formal adoption of the fee modification. Also pursuant to A.R.S. 9-463.05, a copy of the rate change report was filed with the City Clerk on August 1, 2008.

RESOLUTION NO. 2008.87

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, AMENDING THE SCHEDULE OF FEES AND CHARGES AUTHORIZED BY THE CITY CODE BY ESTABLISHING THE SEWER AND WATER DEVELOPMENT FEE RATE STRUCTURE.

WHEREAS, Chapter 27, Section 27-213 and Chapter 33, Section 33-93 of the Tempe City Code provide that charges for sewer and water development fees shall be established by Council resolution; and

WHEREAS, the sewer and water development fee adjustments are necessary to finance expansion of sewer and water treatment and delivery systems for new development; and

WHEREAS, pursuant to A.R.S. §9-463.05, a copy of the rate change report was filed with the City Clerk and a “Notice of Intention” was adopted on August 1, 2008; AND

WHEREAS, A.R.S. 9-463.05(F) AUTHORIZES THE CITY TO MAKE ANNUAL ADJUSTMENTS OF DEVELOPMENT FEES BASED ON A NATIONALLY RECOGNIZED INDEX APPLICABLE TO THE COST OF THE NECESSARY PUBLIC SERVICE.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TEMPE ARIZONA, as follows:

That the following fee structures shall be established for sewer and water development fees provided by the City of Tempe, as prescribed in Sections 27-213 and 33-93 of the Tempe City Code, AND THAT THESE FEE STRUCTURES SHALL BE ADJUSTED ANNUALLY BASED ON THE ENR CONSTRUCTION INDEX.

27-213

Sewer Development Fee

All User Classifications – Residential/Commercial/Industrial User Water Meter Size (inches):

5/8	.....	\$2,202.00	\$2,848
3/4	.....	\$3,303.00	\$4,272
1	.....	\$5,505.00	\$7,120
1-1/2	.....	\$11,010.00	\$14,240
2	.....	\$30,828.00	\$39,872
3	.....	\$55,050.00	\$71,200
4	.....	\$110,100.00	\$142,400
6	.....	\$154,140.00	\$199,360

33-93

Water Development Fees

All User Classifications – Residential/Commercial/Industrial User Water Meter Size (inches):

5/8	.....	\$2,621.00	\$3,045
3/4	.....	\$3,932.00	\$4,568
1	.....	\$6,553.00	\$7,613
1-1/2	.....	\$13,105.00	\$15,225
2	.....	\$36,694.00	\$42,630
3	.....	\$65,525.00	\$76,125
4	.....	\$131,050.00	\$152,250
6	.....	\$183,470.00	\$213,150

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA
this _____ day of _____, 2008.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney